

STATEMENT OF PURPOSE

RS27250C1 / H0473

The purposes of this legislation are to grant authority to the Director to issue enforcement actions directly to a credit union, provide for confidentiality of examination reports and other confidential information, and authorize credit unions to act as a custodian or fiduciary for tax-advantaged savings plans. Specifically, amendments are proposed to (1) reorganize and update provisions relating to examinations and investigation reports, and to authorize the director to examine and investigate the affairs of a subsidiary of a credit union, credit union service organization, and third-party service providers, (2) add a new section to provide for the confidentiality of examination reports and confidential communication, provide for circumstances where disclosing confidential information is authorized, and imposing penalties violations, (3) authorizes the Director to issue cease and desist orders and suspension or removal orders directly to a credit union or affected person, and to prohibit future employment by a credit union, (4) amend provisions authorizing the Director to appoint a receiver and to outline the powers and duties of a receiver, (5) amend the provision relating to voluntary or involuntary liquidation of a credit union to remove an outdated reference to the Idaho Credit Union League Stabilization Fund, (6) amend provision of the act to allow state-chartered credit unions to act as a custodian or fiduciary to the same extent as a federal credit union for the purpose of offering tax-advantaged savings plans, and (7) add new sections authorizing the Director to call for a special meeting of the board of directors and to attend meetings of the board. The proposed amendments relating to enforcement actions will provide for the Department of Finance to meet national accreditation standards.

FISCAL NOTE

There will be no fiscal impact to the Idaho Department of Finance State Regulatory Fund (FIAA) associated with this proposed legislation. The provisions of this proposed legislation specifically related to enforcement powers of state-chartered credit unions will require no additional resources of the Idaho Department of Finance and will have no impact on the Department of Finance's revenues.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).